

U.S. Says Figure in Spy Case Told of Eavesdropping Effort

By MATTHEW L. WALD
Special to The New York Times

BALTIMORE, May 27 — Ronald W. Pelton told the Soviet Union that the United States was eavesdropping on some of its highest-level communications, according to testimony in the opening day of his trial on espionage charges.

Intelligence experts say that both sides assume the other tries to monitor secret communications, but the prosecutor said Mr. Pelton gave Soviet officials valuable information that enabled them to determine exactly what communications were being intercepted, how quickly they were obtained and to what extent American intelligence agents were able to interpret them.

After getting this information from Mr. Pelton, the prosecutor said, the Soviet Union took countermeasures.

The prosecutor, John G. Douglass, said in his opening argument this morning that the information Mr. Pelton sold the Soviet Union about United States electronic surveillance capabilities was "among the most closely guarded secrets" of American intelligence.

Mr. Douglass and two witnesses from the National Security Agency, which has responsibility for intercepting and decoding foreign communications, said that Mr. Pelton had top-level clearance and extensive access to information on American eavesdropping on the Soviet Union.

Mr. Pelton, for 14 years a computer analyst and staff officer at the National Security Agency, was arrested in an Annapolis hotel on Nov. 25. The Federal Bureau of Investigation said Mr. Pelton had admitted that he passed information to the Soviet Union on three separate occasions.

Mr. Pelton's lawyer, Fred Warren Bennett, said in his opening argument that Mr. Pelton had been tricked into making incriminating statements to the F.B.I. The lawyer said Mr. Pelton had believed that if he cooperated with the bureau he could avoid prosecution.

He was later indicted on six counts of espionage. Five of the counts carry a penalty of life imprisonment. One carries a 10-year sentence.

According to the indictment, Mr. Pelton was paid \$35,000. The details of what was sold were not disclosed in court; both the Government and the defense lawyer referred to the information compromised by Mr. Pelton as

"Project A," "Project B" and so on. The reason, Mr. Douglass said, was that governments other than the Soviet Union still were not aware of the extent of American electronic intelligence-gathering capabilities.

One compromised eavesdropping program, called "Project E" in the courtroom, involved listening in on "command and control" information flowing "from the highest level of the Soviet Union down to the next level of echelon," according to testimony of Donald R. Bacon, who was Mr. Pelton's supervisor for two and a half years beginning in 1978.

Mr. Bacon, who did not give his title at the agency, said that Mr. Pelton was in a position to "have a broad overview of everything that is going on in the intelligence community," including how information was gathered, how quickly it could be decoded, if at all, and what new projects were planned. Before he left the agency in 1979, Mr. Pelton also compiled a 60-page summary of the agency's knowledge of Soviet electronic signals, Mr. Bacon testified.

James Bamford, author of a book on the National Security Agency, said in an interview that the highest level of command and control communications would probably be from the civilians in the Kremlin to the top Soviet military officials. Mr. Bamford, an expert on intelligence and national security, does not work for the Government.

Mr. Douglass said Mr. Pelton "had a gold mine of sensitive, valuable information in his head."

He also had "a deep need for money," the prosecutor said. Mr. Pelton filed for bankruptcy early in 1979, shortly before leaving the agency, and by the end of that year had run through \$30,000 in civil service retirement benefits, according to the prosecutor.

He played tapes of telephone calls that prosecution witnesses said were of Mr. Pelton calling the Soviet Embassy in Washington on Jan. 14, 1980.

Mr. Pelton eventually made two trips to Vienna at which he was interviewed intensively by Soviet officials, the prosecutor said.

As Mr. Pelton, chin in hand, listened attentively, his lawyer, Mr. Bennett, argued that his client had been misled into incriminating himself. Mr. Pelton believed that he had an agreement with the two F.B.I. agents who first interviewed him that he would not be prosecuted, Mr. Bennett said.

Without the defendant's admissions, Mr. Bennett, said, "the Government has no case."

"These statements should not be considered by you, based on fundamental fairness," Mr. Bennett told the 12 members of the jury and 4 alternates.

Judge Herbert F. Murray had rejected a similar line of reasoning in pretrial arguments.

One of the F.B.I. agents who first interviewed Mr. Pelton, David E. Faulkner, took the stand late this afternoon and said the agents had told Mr. Pelton that "many national security matters did not end up in prosecution." He also told Mr. Pelton that if he was to bring in a lawyer "the agents lost control of the situation, and our options were greatly reduced." But they never promised him immunity, Mr. Faulkner said.

The case is the third major espionage prosecution in Baltimore recently. John A. Walker Jr. pleaded guilty on Oct. 27 to selling Navy secrets to the Soviet Union. He was also defended by Mr. Bennett. Samuel Loring Morrison was convicted here a few months later for giving a British military publication United States photos of a Soviet aircraft carrier.